REMARKS

Claims 1-7 and 14 are pending and under consideration, claims 8-13 having been previously cancelled. Claims 15 and 16 are newly added. In the Action, made final, the Examiner rejected claims 1-7 and 14 as unpatentable under 35 USC §103 based on Walker et al. U.S. Pat. No. 5,797,127 ("Walker") in view of O'Toole U.S. Pat. No. 5,930,761 ("O'Toole"). Applicants respectfully traverse the Examiner's rejections and request reconsideration and allowance for the reasons which follow.

Examiner Interview

Preliminarily, Applicants wish to thank the Examiner, Hani Kazimi, for the courtesy of an interview on October 3, 2006, which was attended by Charles Cella, a named inventor, Messrs. Richard Harman, Andy Leach and Ned Ruffin of The Ticket Reserve, Inc., the assignee hereof, and the undersigned. At the interview, Applicants discussed the application and the pending claims, the Walker and O'Toole prior art references cited by the Examiner, Applicants' arguments traversing the Examiner's rejections, and certain proposed alternative claim language for claims 1 and 5. Notwithstanding Applicants' traverse, new claims 15 and 16, respectively corresponding to claims 1 and 5, are submitted herewith with modified language that is deemed to avoid the concerns expressed by the Examiner.

Applicants also provided a live demonstration of the assignee's website (http://www.ticketreserve.com/sportsAllTeams.html?ugid=696398000&branchId=696398000&eventId=700002873&teamId=19#marketInfo), showing the then current trading activity of the FAN FORWARD TM service (i.e., a futures contract for a right to buy a ticket to a playoff game if a designated team becomes eligible to play in that playoff game) associated with the

Washington Redskins, the Washington Redskins being the designated team that could qualify to play in the playoff game known as the Superbowl XLI (herein a "REDSKINS FAN FORWARD"). As the Examiner appreciated, as of the date of the interview the Redskins could qualify, but have not yet qualified to appear in Superbowl XLI. Thus, the Redskins playing in the Superbowl is a contingent event -- a playoff game. Three prices were provided for the REDSKINS FAN FORWARD futures contract, namely, the initial contract purchase price, the then current ask price offered by a holder of a REDSKINS FAN FORWARD, and a bid price offered by a remote user who is interested in purchasing a REDSKINS FAN FORWARD.

At the conclusion of the interview, the Examiner indicated that Applicants' arguments have overcome the art of record, that the Examiner needed to update the prior art search, and that Applicants would file this written response, which incorporates the details of Applicants' arguments.

The Obviousness Rejections Based on Walker and O'Toole Should Be Withdrawn

Walker

The Walker reference is directed to applying the concept of options used in stocks and commodities to airline tickets "to minimize the risk of rising prices" (Walker, Col. 1, lines 41-44). See also Walker Col. 2, lines 10-13 ("to minimize the risk of price fluctuations"), Col. 2, lines 24-25 ("to lock in guaranteed price to purchasing the ticket"). Significantly, Walker refers to providing one option per seat, based on the flight information selected by the customer (point of departure, destination, airline, date and time). If the customer purchases the option, he or she has an absolute right to purchase the underlying ticket, provided that the option has not expired.

See, e.g., Walker at Col. 2, lines 6-8 ("The option purchaser benefits by obtaining a guarantee that he will be able to buy the commodity at a price that he can afford").

In the context of Applicants' invention, Walker does not disclose or suggest any "contingent event" associated in any way with the purchased option. In other words, no event must occur subsequent to the purchase of the Walker option, before the customer who has purchased the option may exercise the option and purchase the underlying airline ticket. According to Walker, once the option has been purchased it can be exercised at any time to purchase the ticket for the given flight. This contrasts sharply with Applicants' invention, where the purchased option (or futures contract) is a right to buy a ticket to a contingent event, such that the option cannot be exercised until after the contingent event has occurred. This will be discussed in more detail below with respect to the pending claims.

Further, Walker is directed to a "one-sided" market where the option seller, and only the option seller, determines pricing for each option. See Walker, Col. 5, line 41-Col. 6, line 27, and in particular Col. 6, lines 13-17 ("The central controller 20 calculates the price of an option in step S10 based on the flight information received. . . ."). Indeed, according to Walker:

> If a customer decides not to purchase an option during Step S12, the customer is given a chance to revise the flight information in Step S15 . . . . After the flight information is revised, the new flight information is processed by the system in the same way as the original flight information in order to generate a new option price. (Walker, Col. 7, lines 36-43.)

There is no disclosure of any other way that option prices are generated.

O'Toole

The secondary reference O'Toole is directed toward a system that eases the burden on ticket administrators to allocate purchased tickets to users, for properly tracking ticket usage, and for allocating tickets and associated expenses between departments of the corporation who purchased the tickets, e.g., a block of season tickets. It does not address how tickets are purchased, and does not teach or suggest use of options or contingent events in any respect.

The Examiner's Rejections Should Be Withdrawn

We respectfully traverse the Examiner's rejections of the pending claims 1-7 and 14 as invalid for obviousness based on Walker in view of O'Toole for the following reasons.

First, the primary reference Walker does not disclose the purchase of "an option or futures contract to a contingent event" as the Examiner suggests. (Action at 3.) As set forth in the Specification, a "contingent event" is defined as "an event the occurrence of which is contingent upon occurrence of other factors" (Specification at 4). Walker's option, however, is not contingent on any other event. Rather, the purchaser of the Walker option obtains the absolute right to purchase the underlying airline ticket for a seat on the plane according to the purchaser's given flight information (date, time, place, airline). That flight information is uniquely fixed and defined by the purchaser before the option price is calculated. Once the option is purchased, the customer can exercise it and secure the underlying ticket immediately or anytime before the option right expires. There simply is no other event, and certainly no contingent event, for which the customer is purchasing an option.

By way of comparison, in accordance with Applicants' specification the option purchaser has bought an option for the right to buy a ticket to a playoff game (e.g., Superbowl XLI) which right to buy the ticket is contingent on the designated team (e.g., Washington Redskins) qualifying to play in the game. The option purchaser however has no right to buy the game ticket if the designated team (Redskins) does not qualify. Indeed, in one of Applicants' preferred embodiments, there are other options owned (and traded) by fans of the other teams who could play in that playoff game, whose right to buy the game ticket is contingent on their designated team qualifying, such that only an option holder whose designated team qualifies obtains the right to buy the ticket for the Superbowl. Thus, with multiple teams vying for eligibility to play in the Superbowl, there can be multiple options for the same seat at the stadium.

Turning to the subject matter of the pending claims, the term "contingent event" does not appear. Rather, independent claim 1 refers to a species of a contingent event, namely "a "playoff game should a designated team qualify for the playoff game, ... wherein a plurality of teams could qualify for said playoff game yet which team is to appear at the playoff game is unknown at the sale of said futures contract." Similarly, independent claim 2 refers to a species of a contingent event, namely a "playoff game for which a plurality of teams could qualify but have not yet been selected to qualify for said playoff game at the time of identifying said tickets." Independent claim 5 similarly refers to a species of a contingent event in calling for a system for allowing users to bid on a "futures contract for a ticket to a playoff sporting game for which a plurality of teams could qualify," and claim 6 calls for a system for allowing a remote user to purchase such a futures contract for a ticket to a playoff sporting game for which a plurality of teams could qualify. In each case, the claims require that the option or futures

contract, the thing to be purchased by the customer (remote user) and traded, is for a contingent event, specifically a playoff game, in which any of a plurality of teams could qualify to play. This Walker does not teach or suggest in any respect. Accordingly, for this reason alone, and because the Examiner concedes that the secondary O'Toole reference does not cure the deficiency of Walker with respect to options or futures contracts for contingent events, the pending claims are allowable over the art of record, and the Examiner's rejections should be withdrawn.

In addition, Walker does not teach or suggest a network-based online system for "sale of a futures contract to acquire tickets for a playoff game should a designated team qualify for the game" as called for in Applicants' claim 1. O'Toole does not cure this deficiency. Therefore, claim 1 should be allowed for this additional reason.

Still further, Walker does not teach or suggest a futures contract that is "exercisable upon occurrence of the designated team qualifying for the playoff game" where that futures contract is nevertheless traded for sale before the occurrence of the designated team qualifying, as called for in Applicants' claim 1, and as similarly called for in Applicants' claims 2 and 5 and the claims depending therefrom. Thus, for this additional reason, claims 1-5 and 14 are allowable over the art of record.

Second, we respectfully submit that, contrary to the Examiner's suggestion, Walker does not teach or suggest "a program including an event database . . . including ticket identifiers each representative of a ticket for a contingent participant event." (Action at 3.) The term "participant event" is defined in the specification as encompassing "a contingent event in which

a particular participant participates or is eligible for participation," where a "participant" is further defined as "any person or entity that can participate" such as a "team in a sports event, an athlete in an individual or team sport ...." Walker has nothing to do with contingent events as noted above, and certainly nothing to do with a playoff game or ticket identifiers where participants are identified who could qualify to participate, but contingent in that they are not selected as of the purchase of the option or futures contract, as called for in claims 1, 2, 5 and 6, or a contingent "participant-game" as further called for in Applicants' claims 3, 4 and 7. The secondary reference O'Toole, also is silent on this point. Accordingly, for this additional reason, the pending claims are allowable over the art of record and the Examiner's rejections under § 103 should be withdrawn.

Third, the Examiner's contention that Walker discloses "An interface manager implemented on said server . . . [which] processes options or futures bids from remote users to determine whether to accept the options or futures bid and to update the allocation field" (Action at 3) is not supported by the Walker disclosure. Rather, Walker teaches away from the use of such an interface manager and server because it teaches that only "the system" calculates options prices, and the only way the purchaser can obtain a different option price is by submitting different flight information, whereupon the system will calculate a new option price that the purchaser can accept or reject. See Walker, Col. 6, lines 13-17 and Col. 17, lines 25-43. As was discussed at the interview, the Walker patent refers only to a one-sided market, and does not teach or suggest to accept bids from a remote user and would-be purchaser. More to the point, Walker does not teach or suggest a two-sided market that allows the user to quote a bid price on the options being traded that may differ from the ask price that the owner is trying to sell the

option for, which the option owner can accept or reject. In this regard, because Applicants' claims 2-7 and 14 each call for a user making a bid on an option or a futures contract to purchase a ticket to a playoff game, or a system that accepts or processes bids on such options, and because neither Walker nor O'Toole disclose such bids or a two-sided market, the Examiner's rejections of claims 2-7 and 14 should be withdrawn for this additional independent reason.

In addition, Walker also does not teach or suggest a system or process that involves executing on the highest bids, as called for in each of claims 2, 5 and 6, and the claims depending therefrom. Therefore, claims 2-7 and 14 are allowable over the art of record for this additional independent reason.

Fourth, the Examiner is incorrect in asserting that Walker discloses use of options "Wherein the services are at least one of a sporting event ticket, an airline ticket, ... or a hotel reservation, etc." (Action at 3) and "Walker states that the system can be used for purchasing of other types of tickets." (Action at 4.) Preliminarily, we note that all of the pending claims call only for the species of a contingent event that is a "playoff game" or a "playoff sporting game", and thus whether Walker discloses any event or service other than a sporting event ticket. is irrelevant to the instant invention. More fundamentally, however, Walker discloses only airline tickets, and does not teach or suggest the use of options to sporting event tickets (or hotel reservations). In point of fact, Walker teaches away from the application of options to any ticket other than airline tickets because Walker expressly discloses that (1) "airline tickets are unique" (Walker, Col. 3, lines 1-10; Col. 7, lines 35-43), and (2) "[the Walker] invention is intended to cover various modifications and equivalent structures involved within the spirit and scope of the appended claims" (Walker, Col 8, lines 54-59), and every appended claim is expressly limited to

"purchasing airline tickets." Therefore, we respectfully submit that there is no teaching or suggestion in Walker to apply the options concept to anything other than to airline tickets which are admitted to be unique.

Fifth, Applicants respectfully disagrees with the Examiner's statement that O'Toole teaches "a computer process for managing the purchase of tickets" (Action at 4). As was pointed out at the interview, O'Toole only refers to a system and process to manage already purchased tickets and does not disclose or suggest a process for managing the purchase of tickets. O'Toole also does not disclose or refer to the use of options, let alone options for a contingent event, and it has nothing to do with airline tickets. Accordingly, to the extent that the Examiner's rejections are based on the secondary reference O'Toole, that reference fails to cure any of the deficiencies of the primary reference Walker, as noted above, and consequently the Examiner's obviousness rejections should be withdrawn.

Sixth, to establish a *prima facie* case of obviousness, there must be: (1) some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine references teachings; (2) a reasonable expectation of success; and (3) prior art references which teach or suggest all of the claim limitations. *See In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000); MPEP § 2143 (8th Ed., Rev. 1).

We respectfully submit that there is no basis to combine Walker and O'Toole in the manner that the Examiner has suggested. For one thing, they are in disparate fields of art and there is no commonality of subject matter that would teach or suggest a person of ordinary skill

in the art to combine them. Moreover, even if combined, they still would not lead a person of ordinary skill in the art to obtain what Applicants have discovered and claimed because the references collectively do not teach or suggest all of the claim limitations, as discussed above.

Here, O'Toole does not teach or suggest to modify Walker, which concerns options for airline tickets, to make those options applicable to a "ticket for a sporting event "or the" presence of an athlete in a sporting event." Nothing in either Walker or O'Toole provides any motivation to combine the two or to modify the other, and neither teaches nor suggests the application of an option or a futures contract to a contingent event such as a playoff game as called for in Applicants' pending claims. We respectfully submit that the Examiner's combination was the result of either a misapprehension of the nature of Applicants' claimed subject matter, or a hindsight reconstruction of the references, made based upon the benefit of having Applicants' specification in hand, which of course is improper under the applicable authorities.

Claim 1

At the interview the Examiner raised a question with respect to the claim language of claim 1. Applicants respectfully submit that claim 1 as previously amended is sufficiently definite and positively recites the claim elements constituting the subject matter Applicants claim as their invention so as to satisfy the requirements of patentability. The Examiner has not rejected pending claim 1 under § 112.

Applicants respectfully submit that the claim language "should a team qualify for the playoff game" is neither vague nor indefinite, and is positively recited. It helps to define the species of the contingent event that the "futures contract" is contingent on as "a ticket to a

playoff game" that is for sale, as called for in claim 1. Moreover, claim 1 further positively recites that there are "a plurality of teams [that] could, at the time of the offer for sale, qualify appearance at the playoff game" thus making it clear that the future contract for a ticket is traded, and that the ticket is for a particular contingent event, namely "should a designated team qualify" to appear in the game, but that same contract is only "exercisable upon the occurrence of the designated team [actually] qualifying for the playoff game." Accordingly, we respectfully submit that claim 1 meets the statutory requirements for patentability.

Claim 5

At the interview, the Examiner noted that with respect to claim 5 as previously amended, the claim language in the "server" limitation included the words "capable of" and indicated that Applicants' might consider replacing those words to recite more positively the claim elements. In response, Applicants note that claim 5 was not rejected under § 112 and respectfully submit that the claim language as drafted is sufficiently definite and clear so as to be patentable under § 112. In this regard, the Examiner's attention is respectfully directed to recently issued U.S. Patent 7,099,844 which contains the following language in claim 3:

> 3. A computerized installation for supporting a financial transaction, the installation comprising at least one memory, a program stored in the at least one memory and a processor connected to the at least one memory, the processor being ***capable*** of performing the following steps under the control of the program; ... (emphasis added).

This '844 patent issued under the authority of the Examiner's primary examiner, Vincent Millin, and Applicants respectfully submit that such terminology, as found in Applicants' claim 5, is perfectly acceptable for use in claims reciting a computer system or a "server" as claimed in Applicants' claim 5. That such language, "capable of," is commonly used and accepted in U.S. patent claims is confirmed by a quick search on the USPTO website using search terms "Examiner/Millin" and "Claims/Capable" (http://patft.uspto.gov/netacgi/nph-Parser?Sect1=PTO2&Sect2=HITOFF&p=1&u=%2Fnetahtml%2FPTO%2Fsearch-adv.htm&r=0&f=S&l=50&d=PTXT&Query=exp%2Fmillin+and+aclm%2Fcapable) (Access date October 5, 2006), which revealed at least 235 granted U.S. patents that use "capable" in the claims. Accordingly, we respectfully submit that Claim 5 too is in allowable form.

CO-PENDING APPLICATIONS

Applicants bring to the attention of the Examiner the following U.S. patent applications that are in or related to the same field of art as the present invention.

Application No. 10/179,634 filed June 25, 2002, to Harman (pending)
Application No. 10/386,746 filed March 12, 2003, to Harman (abandoned)
Application No. 10/386,741 filed March 12, 2003, to Harman (pending)
Application No. 11/380,186 filed April 25, 2005, to Harman (pending)
Application No. 11/380,187 filed April 25, 2003, to Harman (pending)
Application No. 60/749,933 filed December 12, 2005, to Harman (pending)
Application No. 10/027,861 filed October 25, 2001, to Arthur (status unknown)

CONCLUSION

For the foregoing reasons, Applicants respectfully submit that they have made a patentable contribution to the art. Reconsideration and allowance of this application is therefore respectfully requested.

Respectfully submitted,

Date: October 31, 2006

Donald Daybell
Registration No: 50,877

Orrick, Herrington & Sutcliffe LLP
4 Park Plaza, Suite 1600
Irvine, CA 92614-2558
Telephone: (949) 567-6700
Facsimile: (949) 567-6710